

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF LOUISVILLE)	CASE NO. 90-158-M
GAS AND ELECTRIC COMPANY)	

O R D E R

On December 21, 1990, the Commission issued its Order in Case No. 90-158 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the gas supply clause ("GSC") set forth therein.

On January 3, 1994, Louisville Gas and Electric Company ("LG&E") filed its quarterly GSC, which is to become effective February 1, 1994 and is to remain in effect through April 30, 1994.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. LG&E's notice of January 3, 1994 set out certain revisions in rates which LG&E proposed to place into effect, said rates being designed to pass on to its customers the expected wholesale decrease in gas costs from its suppliers in the average amount of 3.755 cents per 100 cubic feet, including take-or-pay billings. LG&E's expected gas supply cost for the quarter beginning February 1, 1994 is 29.236 cents per 100 cubic feet, or \$2.9236 per Mcf.

2. LG&E's notice reflected no current quarter refund factor. The refund factor for sales customers in the amount of .95 cent per 100 cubic feet is from a previous quarter.

3. LG&E proposed a current quarter actual adjustment of (.282) cent per 100 cubic feet to compensate for over-recovery of gas cost by the Company through the operation of its gas cost recovery procedure during the months of August, September, and October 1993. The total actual adjustment of .066 cent per 100 cubic feet is designed to correct the current over-recovery as well as under- and over-collections from three previous quarters.

4. LG&E proposed a balance adjustment in the amount of (.119) cent per Mcf to compensate for over-collections occurring as a result of previous actual and balance adjustments.

5. The combined effect of the above adjustments is LG&E's proposed total gas supply cost component of 28.233 cents per 100 cubic feet, a decrease from its last approved GSC of 4.568 cents per 100 cubic feet, or 45.68 cents per Mcf. This decrease represents the combined effect of the supplier decrease, actual, balance, and refund adjustments.

6. The adjustment in rates set out in the Appendix to this Order, determined under the GSC provisions approved by the Commission in its Order in Case No. 90-158 dated December 21, 1990, is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after February 1, 1994.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after February 1, 1994.

2. Within 30 days from the date of this Order, LG&E shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 27th day of January, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-158-M DATED January 27, 1994.

The following rates and charges are prescribed for the customers served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

Gas Supply Cost Adjustment

The total Gas Supply Cost Component shall be 28.233 cents per 100 cubic feet during the period covered by the bill.